

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

OPINION NO. 98-18

- CASE 98-C-0690 - Proceeding on Motion of the Commission to Examine Methods by which Competitive Local Exchange Carriers can Obtain and Combine Unbundled Network Elements.
- CASE 95-C-0657 - Joint Complaint of AT&T Communications of New York, Inc., MCI Telecommunications Corporation, WorldCom, Inc. d/b/a LDDS WorldCom and the Empire Association of Long Distance Telephone Companies, Inc. Against New York Telephone Company Concerning Wholesale Provisioning of Local Exchange Service by New York Telephone Company and Sections of New York Telephone's Tariff No. 900.

OPINION AND ORDER CONCERNING
METHODS FOR NETWORK ELEMENT RECOMBINATION

Issued and Effective: November 23, 1998

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PUBLIC SERVICE COMMISSION

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(Issued and Effective November 23, 1998)

BY THE COMMISSION:

INTRODUCTION

The purpose of this proceeding is to ensure that Bell Atlantic-New York provides competitors with unbundled network elements and means to combine those elements themselves. On April 6, 1998, Bell Atlantic-New York undertook specific commitments¹ in connection with its anticipated application to the FCC to provide in-region long distance service in New York State, pursuant to §271 of the Telecommunications Act of 1996 (the Act).² Included is a commitment to provide competitors certain already-combined elements pursuant to express terms and conditions.

With respect to the combination of network elements, in

¹ Case 97-C-0271, Pre-filing Statement of Bell Atlantic-New York, filed April 6, 1998 (the Pre-filing).

² 47 U.S.C. §271.

the Pre-filing Bell Atlantic-New York undertook to provide competitive local exchange carriers (LECs)

the ability to recombine elements themselves through the use of smaller collocation cages, shared collocation cages, and through virtual collocation. In addition, Bell Atlantic-New York will demonstrate to the Public Service Commission that competing carriers will have reasonable and non-discriminatory access to unbundled elements in a manner that provides competing carriers with the practical and legal ability to combine unbundled elements. Among the issues to be discussed in Bell Atlantic-New York's demonstration is the feasibility of 'non-cage collocation'. Bell Atlantic-New York will continue its current, ubiquitous offering of the platform until such methods for permitting competitive LECs to recombine elements are demonstrated to the Commission. This commitment, when met, will permit competing carriers to purchase from Bell Atlantic-New York and connect all of the pieces of the network necessary to provide local exchange service to their customers.³

In the Pre-filing, Bell Atlantic-New York also committed to provide competitors with combinations of elements, including the combination of its loop with its port (the UNE platform) upon specified terms and under specified conditions.⁴

In sum, Bell Atlantic-New York offered five methods to serve this purpose; AT&T, Covad, and Intermedia also proposed methods. After exhaustive analysis of the strengths and shortcomings of these options, consideration of competitors' proposals, and collaboration, we are requiring the provision of

³ Bell Atlantic-New York Pre-filing, p. 10.

⁴ Among these conditions, Bell Atlantic-New York will provide the UNE platform for certain services without an additional or glue charge to serve residential customers for four and six years depending on region. It will similarly provide the UNE platform to serve business customers with a glue charge varying by geographic area, with the exception that in New York City central offices in which there are already two collocated competitive LECs providing service, the platform will not be available to serve business customers.

every technically feasible method available today. These methods, with certain modifications, are sufficient to support foreseeable competitive demand in a reasonable and non-discriminatory manner, in conjunction with its provision of element combinations pursuant to the Pre-filing. We expect Bell Atlantic-New York's commitment to provide competitive carriers with already-combined network elements to moderate the considerable competitor demand for collocation space and work force effort.

These methods, with modifications detailed herein, and subject to the Pre-filing, will be approved upon Bell Atlantic-New York demonstrating (1) the actual availability of the tariffed collocation offerings and other recombination methods; and (2) that each New York City central office in which two competitors are presently collocated and providing service has space for implementation of a satisfactory range of recombination methods.

Upon verification of these conditions by Chairman Helmer in the context of an application by Bell Atlantic-New York to the FCC to provide in-region interLATA service, this approval will take effect.

THE INSTANT PROCEEDING

We instituted this proceeding to define the method or methods by which competing carriers will combine elements and directed Bell Atlantic-New York to propose methods by which competitors could combine network elements and to illustrate how those methods meet Bell Atlantic-New York obligations under the Pre-filing and the Act, providing an opportunity for parties to comment and propose alternatives.⁵ Administrative Law Judge Eleanor Stein presided over the fact-finding effort. Her May 14, 1998 ruling instructed parties to include an explanation of how

⁵ Case 98-C-0690, Combining Unbundled Elements, Order Initiating Proceeding (issued May 6, 1998).

the method would operate; examples of other jurisdictions, companies, or industries where the method was working; an explanation of how the proposed method could be implemented in a commercially reasonable time period; documentation of the cost of the method; and an analysis of the impact of adoption of the method upon end-use customer service. Subsequently, the parties were requested to demonstrate how each proposed option was susceptible to making the transition to a facilities-based competitive market strategy. Finally, the schedule included a period for collaborative working sessions.

This inquiry opened with Bell Atlantic-New York and other parties proposing options for provision of network elements in such a way as to allow carriers to combine them.⁶ From the filings, six distinct options were distilled, which were named and numbered to serve as the organizing principle for the mass of technical, financial, and policy data provided by the parties. From June 29, 1998 through July 1, 1998, at an on-the-record technical conference, advisory Staff and parties' witnesses and counsel examined the offered proposals. Parties presented six exhibits, and a transcript of 784 pages was compiled. Parties presented expert witnesses both to sponsor parties' own options,

⁶ Parties filing comments, and in some cases proposing options, were: United States Department of Defense and all Federal Executive Agencies (DOD); Covad Communications Company (Covad); Metropolitan Telecommunications (Metropolitan); Cablevision Lightpath (Cablevision), NextLink New York, L.L.C. (Nextlink) and Association for Local Telecommunications Services (ALTS); AT&T Communications of New York, Inc. (AT&T); Time Warner Communications Holdings, Inc. (Time Warner); North American Telecom (North American); Hyperion Telecommunications, Inc. (Hyperion), LCI International Telecom Corp. (LCI); Sprint Communications Company, L.P. (Sprint); WorldCom Inc. (WorldCom); Telecommunications Resellers Association (TRA); USN Communications, Inc. (USN); MCI Telecommunications Corporation (MCI); Teleport Communications Group (TCG); Competitive Telecommunications Association (CompTel); Intermedia Communications, Inc. (Intermedia); RCN Telecom Services of New York, Inc. (RCN); and e.spire Communications, Inc. (e.spire).

and to critique or support options sponsored by others. Following the technical conference, parties filed post-trial type memoranda. Members of the advisory Staff team also met with vendors of proposed technologies and examined installations of several offered options.

On May 27, 1998, Bell Atlantic-New York filed its Methods for Competitive LEC Combinations of Unbundled Network Elements. Bell Atlantic-New York offered both physical and virtual collocation to access and combine the complete range of unbundled network elements, asserting it increased the availability and lowered the cost of physical collocation with smaller cages, shared cages, and common space. It also offered competitive LECs the ability to combine voice grade unbundled elements in assembly rooms and assembly points. On June 23, 1998, Bell Atlantic-New York filed a supplemental document including service descriptions for its assembly room and assembly point offerings, and detailing the common space physical collocation option, renamed Secured Collocation Open Physical Environment (SCOPE).

Two other parties offered proposals. COVAD proposed an identified space collocation option, calling for competitive LEC equipment to be placed alongside the incumbent's frames, as in a virtual collocation arrangement. Unlike virtual collocation, however, COVAD's proposal envisioned the competitor installing and maintaining its equipment, employing some range of security measures to protect the incumbent's equipment. Finally, AT&T proposed recent change capability, a software-based option in a preliminary stage of development, to allow competitors to connect loops and ports for existing Bell Atlantic-New York lines without manual disconnects and reconnects.

On August 4, 1998, Judge Stein issued Proposed Findings, including recommendations concerning legal issues, general conclusions, and specific findings of fact regarding each of the six options. She remitted several issues to the parties

for collaborative discussion.

On August 13, 1998, Administrative Law Judge Jaclyn A. Brillling convened the collaboration phase; participating were Bell Atlantic-New York, AT&T, LCI, MCI, Sprint, Time Warner, Intermedia, WorldCom, COVAD, and advisory Staff. In order to accommodate those parties wishing to proceed expeditiously as well as those indicating workload and resource constraints, she convened a working group for issue identification and proposal drafting. The larger group, having been kept apprised of the progress of the working group and having provided it comments, convened the week of September 14, 1998. Some issues were resolved; as to others, the parties were unable to agree.

Filing initial and reply briefs on exception are Bell Atlantic-New York, WorldCom, DOD, Time Warner, Sprint, RCN and USN, TRA, Qwest/LCI, CompTel, e.spire and Intermedia, COVAD, AT&T, and MCI.

GENERAL FINDINGS

Proposed Methods and Parties' Concerns

The methods proposed by Bell Atlantic-New York shared an underlying design, represented in that company's Exhibit 1 (Appendix A). They are all manual methods, and require a Bell Atlantic-New York technician to make numerous manual cross connections, a configuration parties termed the "daisy chain."⁷ In contrast, competitors asserted providing service to an existing Bell Atlantic-New York customer requires far fewer manual connections. Within this structure, Bell Atlantic-New York offered to make available a variety of mechanisms.

Competitors expressed interest in utilizing one or another mechanism, depending upon their own facilities and market entry plans. Competitors also expressed some common concerns. Many competitors considered all the manual proposals

technologically retrograde, raising the possibility of introducing additional opportunities for human error.⁸ They also viewed them as discriminatory, compared to Bell Atlantic-New York's single cross connection to connect a link and a port for its own customer.⁹

A second common concern of competitors was the potential for exhaustion of collocation space, both building space and MDF space. Moreover, facilities-based competitors that employ collocation for their own networks warned that finite space resources will be used unnecessarily for competitor element combination purposes.

Finally, competitors stressed the limitations on Bell Atlantic-New York's capacity to fill collocation orders in a timely manner. Bell Atlantic-New York has committed to provide physical collocation, if certain preconditions are met, within 76 business days; it will provide virtual collocation in 105 business days. According to the Pre-filing, Bell Atlantic-New York stated it could provision 15 to 20 new collocation arrangements monthly.¹⁰ Competitor parties saw no significant time savings in the modified collocation options: the various collocation installations all require approximately the same intervals and work force. Further, Bell Atlantic-New York's witness testified it could take from six to 18 months to augment an MDF if additional space were needed.¹¹

⁷ RCN's Brief, p. 3; WorldCom's Brief, p. 3.

⁸ Customers served by digital loops--at the close of evidence 7% but a growing proportion--are combined or multiplexed onto a digital carrier, typically Integrated Digital Loop Carrier (IDLC), and transmitted to a central office. These loops are not individually separated and cross-connected at the Main Distribution Frame (MDF), but go through a digital cross connection directly into the switch. To employ any of the incumbent's methods may require replacing the digital loop with copper to allow a manual connection.

⁹ WorldCom's Brief, p. 6.

¹⁰ Bell Atlantic-New York Pre-filing, p. 23.

Proposed General Findings and Exceptions

The Judge proposed criteria concerning the ultimate issue in this proceeding: whether any, or some combination of, the options offered by Bell Atlantic-New York and other parties comply with the incumbent's duty to provide unbundled network elements in a manner that allows requesting competitive carriers to combine them in order to provide telecommunications service. She reasoned that this incumbent local exchange carrier obligation implied, at its core, that competitors have a menu of methods to combine elements that, while it need not be perfect, is commercially reasonable and nondiscriminatory with respect to ubiquity, cost, timely provision, service quality, and reliability. To be commercially reasonable, the menu must allow a competitor to obtain and combine network elements on a scale that is consistent with current expectations of competitive demand volume.

¹¹ Tr. 276.

Options were examined for ease of competitive entry and for compatibility with the eventual development of facilities-based competition in New York. Options were examined for impact on the service to end-users, customers of both incumbent and competitor carriers; and their impact on the security and reliability of the network. Finally, options were analyzed for ease of customer migration to a competitor's own facilities, to another competitive LEC, or back to Bell Atlantic-New York.

Without reaching the issue of whether collocation, in the abstract, constituted as a matter of law a nondiscriminatory form of obtaining and combining elements, the ALJ proposed a finding as a matter of fact on this record and under these conditions. In her view, this record indicated that Bell Atlantic-New York's collocation-based options alone, absent provision of the platform (or another electronic or otherwise seamless and ubiquitous method), were insufficient to support combination of elements to serve residential and business customers on any scale that could be considered mass market entry. Given this record, at this time, absent the provision of the element platform pursuant to the Pre-filing, she considered Bell Atlantic-New York out of compliance with §251(c)(3) and, consequently, §271(c)(2)(B)(ii). With the Pre-filing in place, however, the Judge recommended that Bell Atlantic-New York's options--with modifications--provided adequate opportunity for market entrants to serve residential and business customers.

While not excepting, MCI requests clarification of the proposed general findings with respect to the four-to-six year sunset provisions of the Pre-filing. In MCI's view, until an alternative element combination method is available, Bell Atlantic-New York must provide the Pre-filing platform; and Bell Atlantic-New York should not be allowed to withdraw the platform if an alternative becomes available earlier. AT&T excepts to the proposed general findings on the grounds that Bell Atlantic-New York must make an electronic recombination method available to

competitors in all central offices, to serve all customers, including the most technologically advanced; and that this availability is a precondition to the institution of combination or glue charges and other limitations contained in the Pre-filing.¹²

WorldCom contends the Pre-filing itself is discriminatory and violates the Act's cost provisions, §252. Time Warner, while supporting the Judge's menu approach, also excepts to the incorporation of the Pre-filing on the ground that provision of the platform without additional or glue charges disadvantages facilities-based competition. It urges us to reject the Pre-filing terms, noting that any efficiency loss resulting from the addition of manual processes should apply equally to all competitors.

Bell Atlantic-New York excepts to the recommendation that it be required to provide the unbundled element platform until a comparably ubiquitous method is available to serve the mass market. In Bell Atlantic-New York's view, the evidence demonstrated that its menu of combination alternatives supports mass market entry; while the only other software proposal--AT&T's--is costly and years away from development. Bell Atlantic-New York also excepts to a requirement of ubiquity, noting the absence of an express commitment or statutory requirement. However, it also asserts its expanded physical collocation offerings meet that test.

Bell Atlantic-New York excepts as a legal matter to the proposed finding that the availability of the Pre-filing or its equivalent is necessary to the acceptability of Bell Atlantic-New York's recombination menu, claiming this recommendation

¹² AT&T relies upon the Act requirement that the incumbent LEC provide interconnection with its network at any technically feasible point. 47 U.S.C. §251(c)(2)(B). This decision does not reach the issue of Bell Atlantic-New York's offerings' compliance with §§251, 252, and 271, which will be determined by Chairman Helmer.

obliterates the distinction between competitor combination and the incumbent's platform. Time Warner also excepts, opposing the Pre-filing UNE platform on the ground it will discourage investment in facilities-based competition, and suggests the platform only be available at a premium.

Discussion

This record shows that Bell Atlantic-New York's menu of collocation-based options, along with the provision of the Pre-filing platform, should be sufficient to support recombination of elements to serve residential and business customers on a mass market scale. The availability of the platform and lesser combinations is expected to attract considerable competitive traffic. With the modifications discussed below, the collocation-based offerings are reasonable and non-discriminatory.

This conclusion is based in part upon an assumption that the immediate availability of the UNE platform will ease the competitive pressure on Bell Atlantic-New York's collocation provisioning capabilities. To what extent that assumption is justified will depend largely upon the unfolding market choices of the competitive LECs. In the course of this proceeding, competitors made it abundantly clear that they have widely divergent strategies and requisites. But clearly the UNE platform will be an important means of entering the local market in New York. Bell Atlantic-New York's ability to meet demand for collocation will be examined in the context of the §271 proceeding. This conclusion strikes a balance, making recombination of elements accessible to competitors seeking to enter the market with few or no facilities of their own, without making that the only economically viable market entry choice. Accordingly, parties' exceptions challenging the terms of the Pre-filing are denied.

Based on the parties' filings, comments upon options,

evidence adduced at and following the technical conference, post-conference briefs, the advisory Staff investigation, review of the records in related pending Commission proceedings, and briefs and reply briefs on exception, we conclude that the methods offered by Bell Atlantic-New York to competitors to obtain and combine network elements, as modified by the collaboration, comply with the Pre-filing, inasmuch as the availability of the unbundled network element platform under the Pre-filing terms diminishes mass market pressure on collocation. We will apply the criteria and standards established in this opinion to review the compliance filings associated with the No. 916 tariff.

THE OPTIONS FOR NETWORK ELEMENT
COMBINATION AND SPECIFIC FINDINGS

Parties proposed six methods: (1) physical collocation (traditional, small cage, and shared cage) (Bell Atlantic-New York); (2) cageless collocation or SCOPE (Bell Atlantic-New York); (3) identified space collocation (Covad and Intermedia); (4) virtual collocation with robot (Bell Atlantic-New York); (5) assembly room/point (Bell Atlantic-New York); and (6) recent change memory (AT&T). The Judge recommended findings as to each option taking into consideration the sponsors' initial filing and other parties' comments; the technical conference; subsequent responses to data requests; Staff conferences with parties and Staff investigation; the parties' post-technical conference briefs; and portions of the records and filings of related proceedings, where appropriate. Our specific conclusions, based on this record, collaborative consensus where available, and initial and reply briefs on exception, follow.

Option I -- Physical Collocation and Shared Cage
(Bell Atlantic-New York)

Traditional physical collocation generally allows a competitive LEC to place its equipment in an environmentally conditioned, secured area of Bell Atlantic-New York's central office.¹³ Traditionally, Bell Atlantic-New York constructed 100-square-foot or larger locked wire fenced-in areas, or cages, in a segregated area of its central office building, within which a competitive LEC was allowed to place its transmission and multiplexing equipment.¹⁴

Bell Atlantic-New York offered to construct less costly 25-square-foot cages, and to allow caged areas to be shared among competitive LECs at no additional cost. A collocated competitive LEC may host another competitive LEC. Bell Atlantic-New York would charge the host competitive LEC but accept orders from both the host and the subsequent occupants.

Of its over five hundred New York central offices, Bell Atlantic-New York at the close of the evidence had 61 with physical collocation. It asserted that these offerings could handle anticipated volumes adequately. Bell Atlantic-New York admitted, however, that if a competitive LEC does not intend to put in its own facilities, and simply wants to market combinations of loops and ports, physical collocation is not a viable method,¹⁵ because it is not cost-effective unless the competitive LEC needs physical collocation to locate other equipment in order to provide service over its own facilities.

¹³ Tr. 64.

¹⁴ For combining elements, the competitive LEC installs a simple frame cross connect, and Bell Atlantic-New York runs tie cables from the switch and link sides of its MDF to the competitive LEC frame in the cage. In addition, Bell Atlantic-New York would make cross connections at the MDF. A multiplexer allows two or more signals to pass over one communications circuit.

¹⁵ Tr. 137.

Bell Atlantic-New York stated that physical collocation posed minimal reliability or service quality risk since the unbundled network elements would be combined on facilities which, except for the competitive LEC cross-connect frame, are still within its control.¹⁶ In its estimation, a shared cage would have a slightly higher possibility of adverse impact because of commingling of equipment of several carriers.

Bell Atlantic-New York stated that these physical collocation methods allow a competitive LEC easily to migrate a customer to its own facilities-based service, since the customer's loop is already terminated at the competitive LEC cross-connect frame;¹⁷ the competitive LEC would only have to add transmission equipment. Further, Bell Atlantic-New York asserted these methods allow a customer to easily migrate back to Bell Atlantic-New York or to another competitive LEC.¹⁸

While physical collocation assertedly makes simple the transfer of customers currently physically connected to Bell Atlantic-New York's switch, another step is required for the customers currently served by digital technology.¹⁹ Links of customers served by Integrated Digital Loop Carrier (IDLC) could not be as easily unbundled. Bell Atlantic-New York noted that it would have to transfer the customers' service either to Universal Digital Loop Carrier (UDLC) or to an available copper pair,²⁰ before a competitor could combine the loop with either its own or a Bell Atlantic-New York port.

¹⁶ Tr. 140.

¹⁷ Tr. 141.

¹⁸ Tr. 142.

¹⁹ Bell Atlantic-New York Response to Data Request 4.5.

²⁰ Tr. 120.

Some competitors found traditional physical collocation often unavailable, sometimes technically unnecessary, and prohibitively costly; some, however, supported the 25-square foot cage alternative. Others warned of the negative impact on network reliability and service, as order volumes dramatically increase,²¹ and of longer repair times portended by the additional test points inserted by this or any other physical method.²²

1. Proposed Findings and Exceptions

²¹ Tr. 195-96.

²² Tr. 181.

The Judge expressed concern as to traditional physical collocation as a nondiscriminatory offering for the purpose of allowing competitors to access and combine the incumbent's unbundled network elements. In the Judge's view, the record gave cause for concern about space availability for new competitive LECs. The availability of space in over 400 offices is unknown.

While the addition of the 25-square foot cage option might alleviate the space shortage, it is a limited solution. The record indicated shared space might not provide for easy migration to facilities-based service if more space is needed for transmission equipment and the loops have to be moved to another location.²³ In addition, the smaller space was not shown to be sufficient for combining services other than POTS.²⁴ The ALJ also concluded that the record revealed that Bell Atlantic-New York can construct a limited number of physical collocation arrangements of all types in a month--15 to 20.²⁵ Combined with the 76- to 105-business-day-wait to build a cage--and that only if forecast by the competitive LEC--market inroads via combining elements will be tediously slow, insufficient to handle possible ubiquitous mass market entry on a commercially reasonable schedule.²⁶ Further, Bell Atlantic-New York conceded that the cost of collocation, if used strictly for combining unbundled elements, was not attractive.

²³ Tr. 200.

²⁴ Tr. 212.

²⁵ Tr. 157.

²⁶ Tr. 180.

The Judge proposed finding that traditional physical collocation is a commercially reasonable and highly effective method for competitive LECs to obtain and combine elements where the competitive LEC is already collocated or intends to collocate for additional purposes; however, traditional physical collocation was not recommended as an economical choice solely for the purpose of combining Bell Atlantic-New York-provided loops and ports; nor was it shown to be ubiquitously available statewide. Small-cage and shared-cage collocation mitigate the cost burden, but were seen to have capacity and security limitations.

Bell Atlantic-New York excepts to the proposed finding that its collocation capacity may be too limited, citing subsequent capacity expansion. It also excepts to the conclusion that its alternatives may not support mass marketing by competitors, asserting standard physical collocation is available in 90% of the offices in which it has been requested. In its view, what is lacking for mass market competition is competitive LEC planning and participation. It notes that high volume, high revenue business customers can currently be reached by competitors using physical collocation, asserting the marketplace for high speed services is already considered competitive. To support its view, Bell Atlantic-New York points to its success in collocation installations for COVAD, asserting it worked "with COVAD in establishing dozens of new sites, 28 in the month of July;" Bell Atlantic-New York asserts there "is no legitimate basis for concern about BA-NY's capacity to provide physical collocation."²⁷

On reply, however, COVAD characterizes Bell Atlantic-New York's practices as "antiquated" and asserts its collocation performance has fallen far short.²⁸

²⁷ Bell Atlantic-New York's Brief on Exceptions, p. 5.

²⁸ COVAD asserts that although 26 cages were turned over to COVAD in July, not one met COVAD's specifications. COVAD's Reply

AT&T notes seven other state commissions' negative findings with respect to physical collocation as a method of network element combination.²⁹ In AT&T's view, collocation--even for CLECs using installed cages to reach remote switches--does not replace electronic provisioning. It also notes that smaller cages are too small to accommodate advanced services, and therefore unsuited to serve the business customers for which the UNE platform will be unavailable.

In addition, AT&T excepts to what it terms the assumption of the Proposed Findings that Bell Atlantic-New York routinely meets the 76-day provisioning requirement. AT&T asserts the evidence shows the incumbent cannot and does not.

2. Discussion

In light of the allegations of COVAD, and other CLEC complaints, further examination is necessary before concluding that Bell Atlantic-New York is providing physical collocation at an acceptable level. Although Bell Atlantic-New York correctly notes that physical collocation need not be available in every central office, this record is incomplete as to its actual availability where offered. Conditional upon a further finding of the efficacy of the provision of physical collocation, in the context of agency verification of compliance in connection with the Bell Atlantic-New York application to the FCC pursuant to §271 of the Act, this method will be approved as part of the menu of options.

Option II -- Secured Collocation Open Physical
Environment (SCOPE) (Bell Atlantic-New York)

Brief on Exceptions, pp. 1-2.

²⁹ AT&T cites Massachusetts, Washington, Iowa, Florida, Montana, Texas, and Kentucky. AT&T Reply Brief on Exceptions, p. 4.

SCOPE is a physical collocation area located in a secured part of the central office, separated from Bell Atlantic-New York equipment but without a cage enclosure around the competitive LEC equipment. SCOPE entails a conditioned environment identical to a traditional physical collocation environment. The SCOPE is isolated from the Bell Atlantic-New York central office environment, differentiating SCOPE from virtual collocation. Using SCOPE, the collocator is responsible for the installation and maintenance of its equipment. SCOPE uses a shared point of termination (SPOT) bay³⁰ that may be shared with other competitive LECs using SCOPE. The collocator can place equipment in this arrangement and expand its capacity by adding increments to the frames on the SPOT. SCOPE requires substantially less space per competitive LEC--approximately 15 square feet--than traditional physical collocation.

Bell Atlantic-New York asserted that SCOPE is a workable method of collocation and that it had the capability to implement SCOPE now for anticipated volumes.³¹ The interval for provisioning a SCOPE collocation arrangement is 76 business days, although adding a second competitive LEC to an already established SCOPE arrangement may reduce the required installation time.

As to cost effectiveness, Bell Atlantic-New York and some competitive LECs agreed that SCOPE, although less expensive than traditional physical collocation, is not the plan for a competitive LEC to use solely for loop and port combinations.³²

³⁰ A point of termination bay is a small distribution frame adjacent to a collocation area. It is used to cross-connect incumbent LEC cabling from an MDF to the competitive LEC cabling. A SPOT bay is used for multiple competitive LECs.

³¹ Tr. 332.

³² Tr. 333.

All parties agreed that SCOPE was demonstrated to be a workable collocation arrangement, and advisory Staff observed such an arrangement in operation in a competitive LEC central office. The facilities-based competitive LECs believed SCOPE was a viable alternative collocation option, but unnecessary simply as a method to combine unbundled network elements. Other competitive LECs agreed that SCOPE worked, but considered it altogether unnecessary,³³ and feared its provisioning would make a limited work force unavailable for other collocation installations. Also troubling to competitors was the lack of information concerning Bell Atlantic-New York's ability to expand MDFs as necessary to accommodate anticipated demand for collocation-based rebundling.

As to migration of customers, AT&T asserted this method failed to provide parity with Bell Atlantic-New York because of the additional cross-connects required of competitors.³⁴ In addition, it saw SCOPE as limited in that a second competitor acquiring a customer must be collocated in the same central office. Some facilities-based carriers registered that migration to a new carrier using the combination of SCOPE and extended link was what they needed,³⁵ fearing SCOPE's limitation that competitive LECs must be collocated in the same central office, and that extensive coordination may be necessary between the affected carriers.

1. Proposed Findings, Exceptions,
and Collaboration

³³ Tr. 403, 413.

³⁴ Tr. 401.

³⁵ Tr. 335.